## Governor's Council on Innovation and Technology
## Progress Report - September 2005

This progress report includes efforts by the Arizona Department of Commerce, Arizona Governor's Office, Arizona State University, Arizona Technology Council, Bioscience Steering Committee, Commerce and Economic Development Commission, Flinn Foundation, Government Information Technology Agency, Governor's Council on Innovation and Technology, Northern Arizona University, Southern Arizona Tech Council, and University of Arizona.

**Recommendation 1:** *Create Technology Commercialization Programs to enhance Arizona's science and technology core competencies and promote entrepreneurship*

| Strategies: | Progress report: |
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| Spearhead Passage of the Tech Commercialization Constitutional Amendment. | • Arizona Virtual Water University created in 2005 <br> • University collaboration on a medical school and research center in downtown Phoenix |
| Support the continuing evolution of University culture to emphasize innovation. | • ASU/UA Arizona Biomedical Collaborative to build a joint research facility as part of the Phoenix Biomedical Campus <br> • Creation of C-Path drug development institute at UA with Stanford Research Institute and U.S. Food and Drug Admin. |
| Promote greater interaction and collaboration among Arizona Universities and the private sector. | • U.S. Army awarded funding for the Flexible Display Center project at ASU |
| Build a stronger partnership between Arizona economic development organization and University technology commercialization programs. | • Increased business assistance and commercialization efforts through newly formed organizations, such as the Arizona Center for Innovation, Arizona Technology Enterprises, and Technopolis |
| Focus University technology development on "demand pull" technologies. | • Continued focus on developing a strong life sciences sector in Arizona, including Arizona BIO5 Institute (UA), the Biodesign Institute (ASU) and Interdisciplinary Science and Technology buildings (ASU) |
| Coordinate entrepreneurial assistance programs that foster strong management talent for start-up and expansion businesses. | • New website - www.aztechbizdev.com - to support innovation and technology development statewide, as well as revised websites at the Universities. |
| Develop a statewide technology commercialization assistance center program to provide support to the universities and the private sector. | • ASU Technology Expo and UA Innovation Showcase <br> • Established ASU/Mayo joint seed-fund & ASU Catalyst Fund |

**Recommendation 2:** *Develop capital formation programs that support Arizona's global competitiveness in the 21ˢᵗ century*

| Strategies: | Progress report: |
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| Establish the Arizona Small Business Opportunity Program.<br><br>Establish an Arizona Investment Fund.<br><br>Enhance Arizona's R&D tax credit program.<br><br>Create a strategic investment board to oversee capital formation programs. | • Authorized an "angel investors" tax credit to spur investments in life sciences and technology development<br>• Identified funding sources for life sciences and technology companies -- www.aztechbizdev.com<br>• 46 companies received AZ FAST grants to pursue SBIR/STTR opportunities<br>• $4.4 million in federal grants have been awarded to AZ FAST participants, with an additional $1.74 million pending<br>• Ongoing efforts to create a private sector led $50 million fund of funds program |

**Recommendation 3:** *Focus Arizona's resources on the retention and growth of existing technology companies*

| Strategies: | Progress report: |
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| Enhance core competencies in Advanced Communications, IT, Sustainable Systems and Biosciences.<br><br>Explore business opportunities for technology companies in the Canamex corridor.<br><br>Develop Arizona's manufacturing roadmap and enhance Arizona's supply chain development program. | • Advanced Communications/IT Roadmap and Sustainable Systems Prospectus were developed to better align university and private sector efforts<br>• CANAMEX created a "Smart Corridor" initiative to increase IT infrastructure<br>• New online Arizona company directory available through www.aztechbizdev.com<br>• Arizona's supply chain opportunities and gap analysis |

**Recommendation 4:** *Establish a favorable business environment that transforms Arizona's economy into a recognized leader in the knowledge-based economy*

| Strategies: | Progress report: |
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| Invest in a strong and robust ADOC chartered and empowered to champion the programs and recommendations that build Arizona's knowledge-based economy.<br><br>Improve Arizona's tax structure to encourage investment in innovation and technology development.<br><br>Improve relationships with federal, state and local policy makers and communicate the competitive needs of Arizona's technology industry.<br><br>Develop and target business incentives to attract, grow and retain knowledge-based industries. | • Increased sales factor for multi-state corporations to attract and retain manufacturing firms<br>• Reduced business personal property tax rates to retain businesses and increase Arizona's competitiveness<br>• Arizona Dept of Commerce authorization - 10 years<br>• Revised the Arizona Job Training Program for easier access by small businesses and firms in high growth fields<br>• Washington D.C. office established |

**Recommendation 5:** *Promote Arizona's global knowledge-based assets*

| Strategies: | Progress report: |
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| Brand Arizona's core competencies in the global marketplace in areas of discoveries, innovation and technology development.<br><br>Establish an "Ambassadors for Arizona" program to encourage companies to start, expand and relocate their operations and/or headquarters to Arizona. | • Brand research, including Communications Audit, Research Material Review, Leadership Focus Groups – 3, and C-Level Interviews in CA<br>• Developed a comprehensive statewide branding and communications strategy<br>• Developed Draft Media and PR campaigns, Ambassador Program, etc.<br>• Launched TechConnect Magazine – ¼'ly publication |

## Recommendation 6: *Develop programs to improve education and knowledge worker development*

| Strategies: | Progress report: |
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| Support educational efforts that address the needs of the knowledge-based worker throughout the P-20 curriculum.<br><br>Restore and preserve funding for the Arizona Job Training Program.<br><br>Revise IT tax credit program to make it more accessible to the private sector.<br><br>Evaluate state-sponsored scholarship programs to reverse the technology brain drain that threatens Arizona's ability to compete.<br><br>Establish an intern pilot programs linking students with technology companies to gain needed practical experience. | • Implemented voluntary all-day kindergarten statewide<br>• Established P-20 Council to align education and workforce efforts for all ages<br>• Commissioned education alignment study<br>• Revised the Arizona Job Training Program for easier access by small businesses and firms in high growth fields<br>• Secured funding to establish a cross-training program, specifically targeting Aerospace and Defense industries<br>• Developed the "high-tech intern" website<br>• Submitted application to DOL for IT training |

## Recommendation 7: *Improve relationships with federal leadership and identify federal funding opportunities*

| Strategies: | Progress report: |
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| Create a statewide virtual resource center to assist universities, technology companies and entrepreneurs to access federal funding in areas that encourage innovation and technology development.<br><br>Educate Arizona's federal congressional delegation on the existing and future needs of the technology industry to further develop Arizona's knowledge-based economy.<br><br>Create a task force to explore and advocate for the creation of a federal laboratory facility. | • Washington, D.C. office was established<br>• 46 companies received AZ FAST grants to pursue SBIR/STTR opportunities<br>• $4.4 million in federal grants have been awarded to AZ FAST participants, with an additional $1.74 million pending<br>• Bioscience informational seminars led by the Flinn Foundation. |

| **Recommendation 8:** *Improve Arizona's Telecommunications Infrastructure* | |
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| **Strategies:**<br><br> Develop recommendations that focus on building out needed telecommunications infrastructure, specifically in rural Arizona | **Progress report:**<br><br>• Establish the Telecommunications Infrastructure Sub Committee (TISC) under the GCIT.<br>• Created forums to educate numerous rural constituencies on telecom issues.<br>• Issued a statewide telecom RFI in conjunction with League of Cities and Towns, and County Supervisors Association.<br>• Derived recommendations for the Carrier Services RFP issued by the ADOA.<br>• Assisted in the development of the RFP from ADOA.<br>• Hosted a number of conferences and meeting to determine strategic recommendations to move statewide telecommunications efforts forward. |